

**DELTA NATURAL GAS COMPANY, INC.**

**P.S.C. No. 13, Ninth Revised Sheet No. 2  
Superseding P.S.C. No. 13, Eighth Revised Sheet No. 2**

**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
RESIDENTIAL**

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APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate + (GCR)**</u>	<u>= Total Rate</u>
Customer Charge*	\$ 24.00		\$24.00
All Mcf***	\$ 5.2539	\$ 4.3595	\$ 9.6134/per 1.0 Mcf

\* Residential rates are subject to a \$0.30 fee collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 of this tariff. The fee is not included in the Customer Charge.

\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

\*\*\* Residential rates are subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of 0/Mcf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are subject to a Pipe Replacement Program charge of \$0.38927/1.0 Mcf, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

Monthly Surcharge: A monthly surcharge of \$0.87 per Mcf will be added to customer bills effective May 1, 2023 until the following balance is recovered. The purpose of the surcharge is to recover Gas Cost Recovery balances created before and during the transition period associated with the acquisition of Peoples Gas of KY LLC by Delta Natural Gas Company, Inc. The balance is \$8,160,521.

**DATE OF ISSUE:       October 13, 2023**  
**DATE EFFECTIVE:     January 1, 2024**  
**ISSUED BY:         /s/ John B. Brown**  
**John B. Brown, President**

**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
SMALL NON-RESIDENTIAL\***

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by small non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	Gas Cost Recovery Rate + <u>(GCR)**</u>	= <u>Total Rate</u>
Customer Charge*	\$ 44.40		\$ 44.40
All Mcf	\$ 4.9739	\$ 4.3595	\$ 9.3334/ per 1.0 Mcf

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential or Interruptible Service rate schedule.

\* Meter no larger than AL425

\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Small Non-Residential rates are subject to a Pipe Replacement Program charge of \$0.24850/1.0 Mcf as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

Monthly Surcharge: A monthly surcharge of \$0.87 per Mcf will be added to customer bills effective May 1, 2023 until the following balance is recovered. The purpose of the surcharge is to recover Gas Cost Recovery balances created before and during the transition period associated with the acquisition of Peoples Gas of KY LLC by Delta Natural Gas Company, Inc. The balance is \$8,160,521.

**DATE OF ISSUE:           October 13, 2023**  
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**John B. Brown, President**





**Delta Natural Gas Company, Inc.**  
**Pipe Replacement Program Filing**  
**Forecasted Period Ending December 31, 2024**  
**Rates Effective: January 1, 2024**

	<u>2023</u>	<u>2024</u>	<u>Total</u>
1 Planned eligible expenditures under the PRP (Schedule II)	\$ 8,456,789	\$ 3,560,648	
2 Less:			
3 Accumulated depreciation	(383,505)	(53,396)	
4 Accumulated deferred income taxes	(1,941,250)	(875,059)	
5 Net PRP Rate Base, as of December 31, 2024	6,132,034	2,632,193	
6 WACOC, per case no 2021-00185	6.69175%	6.69175%	
7 Allowed Return	410,340	176,140	
8 Tax expansion factor, w PSC (per Case No. 2021-00185)	1.33984	1.33984	
9 Return, grossed up for income taxes	\$ 549,792	\$ 236,000	\$ 785,792
10 Cost of Service Items (Schedule III)			\$ 491,719
11 Current Year PRP Adjustment			<b>\$ 1,277,511</b>

	<b>Calculated Net Revenue @ Approved Rates per Case No. 2021-00185</b>	<b>Class Allocation</b>	<b>Allocated PRP Adjustment</b>	<b>Volumes for the 12 months ended July 31, 2021</b>	<b>PRP Rate Per MCF</b>
12 Residential	\$ 17,392,991	51.4%	\$ 656,556	1,686,614	\$ 0.38927
13 Small Non-Residential	5,243,155	15.5%	\$ 197,920	796,451	\$ 0.24850
14 Large Non-Residential	9,236,757	27.3%	\$ 348,672	2,179,457	\$ 0.15998
15 Interruptible	1,969,984	5.8%	\$ 74,364	1,406,651	\$ 0.05287
16 Total	\$ 33,842,887	100.0%	\$ 1,277,512	6,069,173	

Calendar Year **2023**  
PRP Worksheet

	Book Depr		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2023	Year	A					
	Investment	1	Beginning	Expense	Ending			
1 Distribution Mains	6,827,071	3.10%	-	(105,820)	(105,820)	6,721,251	0.01%	\$ (341)
2 Transmission Mains	341,718	2.90%	-	(4,955)	(4,955)	336,763	0.02%	(34)
3 Services	948,000	3.10%	-	(14,694)	(14,694)	933,306	0.42%	(1,991)
4 Gathering Lines		2.25%	-	-	-	-	0.00%	-
5 Storage Lines		2.10%	-	-	-	-	0.00%	-
6 Cost of Removal	340,000	various	-	(2,366)	(2,366)	337,634	0.00%	-
	8,456,789		-	(127,835)	(127,835)	8,328,954		\$ (2,366)

	Qualifying Tax					MACRS YEAR	Tax Depreciation Reserve					Tax Net Book Value		
	Book	Expense	Tax	Tax	0%		Tax Life	1	Beginning	Tax Expense	Bonus Depr		MACRS Depr	Ending
	Investment	Percentage	Expense	Additions	Bonus Depreciation									
7 Distribution Mains	6,827,071	99.99%	(6,826,388)	683	-	683	15	5.000%	-	(6,826,388)	-	(34)	(6,826,422)	649
8 Transmission Mains	341,718	0.01%	(34)	341,684	-	341,684	15	5.000%	-	(34)	-	(17,084)	(17,118)	324,600
9 Services	948,000	100%	(948,000)	-	-	-	20	3.750%	-	(948,000)	-	-	(948,000)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	14.286%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
12 Cost of Removal	340,000	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	8,456,789		(7,774,422)	342,367	-	342,367			-	(7,774,422)	-	(17,118)	(7,791,540)	325,249

	Net Book Value		Cumulative		
	Book	Tax	Timing	Statutory	Deferred
	Book	Tax	Difference	Rate	Income Taxes
13 Distribution Mains	6,721,251	649	(6,720,602)	24.95%	(1,676,790)
14 Transmission Mains	336,763	324,600	(12,163)	24.95%	(3,035)
15 Services	933,306	-	(933,306)	24.95%	(232,860)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	337,634	NA	(337,634)	24.95%	(84,240)
	8,328,954	325,249	(8,003,705)		(1,996,925)

A Year 1 for PRP assets assumes a half year of depreciation expense.

Calendar Year **2023**  
PRP Worksheet

	Book Depr		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2023	Year	A					
	Investment	2	Beginning	Expense	Ending			
1 Distribution Mains	6,827,071	3.10%	(105,820)	(211,639)	(317,459)	6,509,612	0.01%	\$ (683)
2 Transmission Mains	341,718	2.90%	(4,955)	(9,910)	(14,865)	326,853	0.02%	(68)
3 Services	948,000	3.10%	(14,694)	(29,388)	(44,082)	903,918	0.42%	(3,982)
4 Gathering Lines		2.25%	-	-	-	-	0.00%	-
5 Storage Lines		2.10%	-	-	-	-	0.00%	-
6 Cost of Removal	340,000	various	(2,366)	(4,733)	(7,099)	332,901	0.00%	-
	8,456,789		(127,835)	(255,670)	(383,505)	8,073,284		\$ (4,733)

	Qualifying Tax		0%				MACRS YEAR	Tax Depreciation Reserve					Tax Net Book Value		
	Book	Expense	Tax	Tax	Bonus	Depreciable		Tax Life	2	Beginning	Tax Expense	Bonus Depr		MACRS Depr	Ending
	Investment	Percentage	Expense	Additions	Depreciation	Base									
7 Distribution Mains	6,827,071	99.99%	(6,826,388)	683	-	683	15	9.500%	(6,826,422)	-	-	(65)	(6,826,487)	584	
8 Transmission Mains	341,718	0.01%	(34)	341,684	-	341,684	15	9.500%	(17,118)	-	-	(32,460)	(49,578)	292,140	
9 Services	948,000	100%	(948,000)	-	-	-	20	7.219%	(948,000)	-	-	-	(948,000)	-	
10 Gathering Lines	-	0.0%	-	-	-	-	7	24.490%	-	-	-	-	-	-	
11 Storage Lines	-	0.0%	-	-	-	-	15	9.500%	-	-	-	-	-	-	
12 Cost of Removal	340,000	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA	
	8,456,789		(7,774,422)	342,367	-	342,367			(7,791,540)	-	-	(32,525)	(7,824,065)	292,724	

	Net Book Value		Cumulative		
	Book	Tax	Timing	Statutory	Deferred
	Book	Tax	Difference	Rate	Income Taxes
13 Distribution Mains	6,509,612	584	(6,509,028)	24.95%	(1,624,002)
14 Transmission Mains	326,853	292,140	(34,713)	24.95%	(8,661)
15 Services	903,918	-	(903,918)	24.95%	(225,528)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	332,901	NA	(332,901)	24.95%	(83,059)
	8,073,284	292,724	(7,780,560)		(1,941,250)

A Year 1 for PRP assets assumes a half year of depreciation expense.

Calendar Year **2024**  
PRP Worksheet

	Book Depr		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2024 Investment	Year 1	Beginning	Depreciation Expense	Ending			
1 Distribution Mains	3,062,898	3.10%	-	(47,475)	(47,475)	3,015,423	0.01%	\$ (153)
2 Transmission Mains	-	2.90%	-	-	-	-	0.02%	-
3 Services	327,750	3.10%	-	(5,080)	(5,080)	322,670	0.42%	(688)
4 Gathering Lines		2.25%	-	-	-	-	0.00%	-
5 Storage Lines		2.10%	-	-	-	-	0.00%	-
6 Cost of Removal	170,000	various	-	(841)	(841)	169,159	0.00%	-
	3,560,648		-	(53,396)	(53,396)	3,507,252		\$ (841)

	Qualifying Tax			0%			MACRS YEAR	Tax Depreciation Reserve				Tax Net Book Value		
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base		Tax Life	1	Beginning	Tax Expense		Bonus Depr	MACRS Depr
7 Distribution Mains	3,062,898	100%	(3,062,898)	(1)	-	(1)	15	5.000%	-	(3,062,898)	-	-	(3,062,898)	(1)
8 Transmission Mains	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
9 Services	327,750	100%	(327,750)	-	-	-	20	3.750%	-	(327,750)	-	-	(327,750)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	14.286%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
12 Cost of Removal	170,000	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	3,560,648		(3,390,648)	(1)	-	(1)			-	(3,390,648)	-	-	(3,390,648)	(1)

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	3,015,423	(1)	(3,015,423)	24.95%	(752,348)
14 Transmission Mains	-	-	-	24.95%	-
15 Services	322,670	-	(322,670)	24.95%	(80,506)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	169,159	NA	(169,159)	24.95%	(42,205)
	3,507,252	(1)	(3,507,252)		(875,059)

**A** Year 1 for PRP assets assumes a half year of depreciation expense.



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**Increased depreciation expense (Schedule II)**

Vintage 2023	\$	255,670
Vintage 2024	\$	53,396
	\$	<u>309,066</u>

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**Operating expense reductions**

Maintenance of Transmission and Distribution Mains, per Case	\$	90,819
Estimate of Current Year Actual Expense (Calendar 2022)		<u>72,476</u>
Decrease in Operating Expense	\$	(18,343)

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**Increased property tax expense**

**A** December 31, 2022

Net Book Value, PSC Report Page 110		178,608,968
2024 Property Tax Expense		3,100,000
Average ad valorem tax rate		1.736%
PRP Net Book Value		<u>11,580,535</u>
PRP Property Tax	\$	200,996

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**Total increased cost of service** **\$ 491,719**

**A** Property tax expense for current year is based on plant balances at the end of the prior year

**DELTA NATURAL GAS**  
**Cost of Removal and Replacement Projects for 01/01/2023 - 12/31/2023**

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>
Cost of Removal		(A)		\$ 340,000
Manchester	Distribution Mains	4" Plastic	1,237	\$ 151,451
	Distribution Mains	2" Plastic	87	\$ 10,652
	Services	43	(C)	\$ 64,500
			1,324	\$ 226,603
Williamsburg	Transmission Mains	4" Steel	361	\$ 257,676
	Services		(C)	\$ -
			361	\$ 257,676
Williamsburg	Transmission Mains	4" Steel	214	\$ 3,563
	Services	2	(C)	\$ 3,000
			214	\$ 6,563
Corbin	Distribution Mains	4" Plastic	2,558	\$ 268,107
	Distribution Mains	2" Plastic	1,565	\$ 182,230
	Services	16	(C) (D)	\$ 24,000
			4,123	\$ 474,337
Corbin	Distribution Mains	4" Plastic	5,373	\$ 390,384
	Distribution Mains	2" Plastic	1,682	\$ 97,675
	Services	21	(C) (D)	\$ 31,500
			7,055	\$ 519,559
Clearfield	Distribution Mains	2" Plastic	170	\$ 7,965
	Services	0	(C)	\$ -
			170	\$ 7,965
Berea	Distribution Mains	4" Steel Pipe	7,701	\$ 663,091
	Distribution Mains	2" Steel Pipe	75	\$ 6,458
	Distribution Mains	2" Plastic	228	\$ 19,632
	Services	2	(C)	\$ 3,000
			8,004	\$ 692,181
Owingsville	Distribution Mains	4" Plastic Pipe	7,267	\$ 273,546
	Distribution Mains	2" Plastic	8,992	\$ 338,479
	Services	37	(C)	\$ 55,500
			16,259	\$ 667,525
Owingsville	Distribution Mains	4" Plastic Pipe	9,685	\$ 587,887
	Distribution Mains	2" Plastic	3,409	\$ 206,929
	Services	36	(C)	\$ 54,000
			13,094	\$ 848,816
Corbin	Distribution Mains	4" Plastic Pipe	4,125	\$ 147,823
	Distribution Mains	2" Plastic	10,892	\$ 825,239
	Services	52	(C) (D)	\$ 78,000
			15,017	\$ 1,051,063
Nicholasville	Distribution Mains	4" Plastic Pipe	679	\$ 18,765
	Services	3	(C)	\$ 4,500
			679	\$ 23,265
Stanton	Distribution Mains	2" Plastic	1,341	\$ 19,909
	Services	0	(C)	\$ -
			1,341	\$ 19,909
Corbin	Distribution Mains	4" Plastic	487	\$ 28,015
	Services	0	(C)	\$ -
			487	\$ 28,015

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>	
Beattyville	Transmission Mains Services	4" Steel	1,057	\$ 80,479	
			(C) (D)	\$ -	
			1,057	\$ 80,479	
Barbourville	Distribution Mains Services	2" Plastic	248	\$ 4,353	
			(C)	\$ 1,500	
			248	\$ 5,853	
Nicholasville	Distribution Mains Services	6" Steel	195	\$ 64,233	
			(C)	\$ 1,500	
			195	\$ 65,733	
Corbin	Distribution Mains Services	2" Plastic	300	\$ 8,656	
			(C)	\$ 1,500	
			300	\$ 10,156	
Stanton	Distribution Mains Services	2" Plastic	151	\$ 7,996	
			(C)	\$ 3,000	
			151	\$ 10,996	
Pineville	Distribution Mains Services	2" Plastic	536	\$ 10,080	
			(C)	\$ 4,500	
			536	\$ 14,580	
Nicholasville	Distribution Mains Services	2" Plastic	32,819	\$ 2,009,279	
			3/4" Plastic	24	\$ 266
				(C) (D)	\$ 568,500
			379	\$ 2,578,045	
Nicholasville	Distribution Mains Services	2" Plastic	1,725	\$ 117,191	
			(C) (D)	\$ 25,500	
			1,725	\$ 142,691	
Nicholasville	Distribution Mains Services	2" Plastic	2	\$ 1,877	
			(C)	\$ -	
			2	\$ 1,877	
Stanton	Distribution Mains Services	2" Plastic	114	\$ 19,756	
			(C)	\$ 1,500	
			114	\$ 21,256	
Nicholasville	Distribution Mains Services	4" Plastic	595	\$ 26,177	
			160	\$ 7,039	
		1" Plastic	(C) (D)	\$ 3,000	
			755	\$ 36,216	
London	Distribution Mains Services	4" Plastic	4,019	\$ 261,235	
			109	\$ 7,085	
		2" Plastic	7	\$ 455	
			(C) (D)	\$ 19,500	
		13	\$ 288,275		
Barbourville	Distribution Mains Services	Engineering Services	(D)	\$ 37,154	
			(C) (D)	\$ -	
				\$ 37,154	
Total			110,189	\$ 8,456,789	

(A) Represents cost of removal incurred. No pipe installed.

(B) Charges relating to footage reported in prior year.

(C) Delta does not track the footage of each individual service line.

(D) These projects are not yet complete. Footages will be reported in the year projects are closed to plant.

**DELTA NATURAL GAS**  
**Cost of Removal and Replacement Projects for 01/01/2024 - 12/31/2024**

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>
Cost of Removal		(A)		\$ 340,000
Clay City	Distribution Main	4" Plastic	2,965	\$ 192,725
Clay City	Distribution Main	2" Plastic	18911	\$ 1,229,215
Clay City	Distribution Main	3/4" Plastic	10	\$ 650
Clay City	Services	154	(C)	\$ 231,000
			21,886	\$ 1,653,590
Barbourville	Distribution Main	2" Plastic	10,049	\$ 653,185
Barbourville	Services	50	(C) (D)	\$ 75,000
			10,049	\$ 728,185
Owingsville	Distribution Main	4" Plastic	2,022	\$ 131,430
Owingsville	Distribution Main	2" Plastic	19,730	\$ 1,282,450
Owingsville	Distribution Main	3/4" Plastic	35	\$ 2,275
Owingsville	Services	134	(C)	\$ 201,000
			21,787	\$ 1,617,155
Corbin	Distribution Main	4" Plastic	2,259	\$ 146,835
Corbin	Distribution Main	2" Plastic	660	\$ 42,900
Corbin	Services	4	(C)	\$ 6,000
			2,919	\$ 195,735
London	Distribution Main	6" Steel	5,600	\$ 364,000
London	Distribution Main	4" Steel	1,700	\$ 110,500
London	Distribution Main	4" Plastic	14,300	\$ 929,500
London	Distribution Main	2" Plastic	4,500	\$ 292,500
London	Services	66	(C) (D)	\$ 99,000
			26,100	\$ 1,795,500
Barbourville	Distribution Main	4" Plastic	1,400	\$ 91,000
Barbourville	Distribution Main	2" Plastic	500	\$ 32,500
Barbourville	Services	18	(C) (D)	\$ 27,000
			1,900	\$ 150,500
Stanton	Distribution Main	2" Plastic	408	\$ 26,520
Stanton	Services	1	(C)	\$ 1,500
			408	\$ 28,020
Nicholasville	Distribution Main	8" Steel	275	\$ 17,875
Nicholasville	Distribution Main	2" Steel	100	\$ 6,500
Nicholasville	Distribution Main	4" Plastic	8,078	\$ 525,070
Nicholasville	Distribution Main	2" Plastic	741	\$ 48,165
Nicholasville	Services	10	(C)	\$ 15,000
			9,194	\$ 612,610
Total			94,243	\$ 7,121,295

- (A) Represents cost of removal incurred. No pipe installed.
- (B) Charges relating to footage reported in prior year.
- (C) Delta does not track the footage of each individual service line.
- (D) These projects are not yet complete. Footages will be reported in the year projects are closed to plant.

## Schedule V

### **Delta Natural Gas Company, Inc. Supplemental Data as Requested by Case No. 2019-00074, Appendix B**

1. Provide a list of the remaining items to be replaced and an estimate of the associated costs eligible to be recovered through the PRP, inclusive of all types of pipe authorized to be replaced through the PRP. The information should include:
  - a. The amount of pipe remaining to be replaced through the PRP. Pipe should be categorized by material (i.e. bare steel, coated steel, plastic, etc.), age, size and location.
  - b. The estimated remaining cost per year of the PRP broken down by pipe, services, and any other eligible PRP activities.

**Response:**

- 1.a. See attached Schedule VI. This schedule does not include inactive services to be removed, active services to be replaced, and mandatory relocations being recovered through the PRP.
  - 1.b. See attached Schedule VII.
2. Using the information provided in Item 1, provide a chart showing by year and customer class, the estimated PRP surcharges for each remaining year of the PRP.

**Response:**

See Attached Schedule VIII.

3. Provide a list showing each project that was replaced under the PRP for the program year. The list should include the size of the pipe, length replaced, length installed, number of services, pipe material, and cost.

**Response:**

See attached Schedule IV.

4. Provide the same information as requested in Item 3 above but as an estimate for the next PRP program year.

**Response:**

See attached Schedule IX









Delta Natural Gas Company, Inc.  
 Pipe Remaining to be Replaced as of 6/30/2023

District Location	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
<b>Owingsville</b>																									
1/2" Vintage Plastic																									
3/4" Vintage Plastic	52		446	446	87																				
1" Bare Steel																									
1" Unprotected Coated Steel																									
1" Vintage Plastic		226	317	88																					
1 1/4" Vintage Plastic																									
1 1/2" Vintage Plastic																									
2" Bare Steel																									
2" Unprotected Coated Steel	52																								
2" Vintage Plastic	3421	750	7498	4083	3825																				
3" Vintage Plastic																									
4" Bare Steel						210																			
4" Unprotected Coated Steel																									
<b>Owingsville Total</b>	<b>3,525</b>	<b>976</b>	<b>8,261</b>	<b>4,617</b>	<b>3,912</b>	<b>210</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Berea</b>																									
1/2" Vintage Plastic																									
3/4" Vintage Plastic		22	46																						
1" Unprotected Coated Steel																	39								
1" Vintage Plastic	91	412	167																						
1 1/4" Vintage Plastic	75				25																				
2" Vintage Plastic	3277	9127	6468	7900	4570																				
4" Vintage Plastic				9283	2325																				
<b>Berea Total</b>	<b>3,443</b>	<b>9,561</b>	<b>6,681</b>	<b>17,183</b>	<b>6,920</b>	-	-	-	-	-	-	-	-	-	-	-	<b>39</b>	-	-	-	-	-	-	-	-
<b>Nicholasville</b>																									
3/4" Vintage Plastic			480																						
1" Vintage Plastic	25	270		187																					
1 1/4" Vintage Plastic		166																							
2" Bare Steel																									
2" Vintage Plastic	1,077	8,798	2,941	3,119	3,746																				
6" Bare Steel																									
<b>Nicholasville Total</b>	<b>1,102</b>	<b>9,234</b>	<b>3,421</b>	<b>3,306</b>	<b>3,746</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Stanton</b>																									
3/4" Vintage Plastic			185	150	28																				
1" Unprotected Coated Steel																									
1" Vintage Plastic	131	272	831	124	145																				
1 1/4" Vintage Plastic																									
2" Bare Steel																									
2" Unprotected Coated Steel	63																								
2" Vintage Plastic	7579	4085	9520	2327	5141																				
3" Unprotected Coated Steel			60																						
3" Vintage Plastic			2740																						
<b>Stanton Total</b>	<b>7,773</b>	<b>4,357</b>	<b>13,336</b>	<b>2,601</b>	<b>5,314</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>London</b>																									
1" Bare Steel																									
1" Unprotected Coated Steel																									
3" Unprotected Coated Steel																									
4" Unprotected Coated Steel																									
8" Unprotected Coated Steel																									











	Estimate Range		
	Low	High	
Main replacements & retirements (unprotected & Aldyl A)	\$ 2,721,000	\$ 9,621,000	{1}
Main & service relocations	448,000	1,527,000	{2}
Service line removals	140,000	216,000	{3}
Service line replacements	800,000	1,100,000	{4}
	<u>4,109,000</u>	<u>12,464,000</u>	

{1} The average cost per foot, net of relocations, has been \$61.30, but has been as high \$101.19 per foot. Delta used these prices in estimating the high and low estimates, escalated annually for inflation.

{2} Performed as needed. Mandatory relocations have averaged \$448,000 per year with a range of \$32,000 - \$1,527,000 per year.

{3} Delta has approximately 520 services that have been inactive for five years or longer and based on recent history expects to remove 200-300 inactive services each year to reduce this backlog. The average cost to remove a service has been \$720. Delta estimates an average cost of \$140,000-\$216,000 per year.

{4} Delta has approximately 5,649 bare steel and Aldyl-A services and will need to average approximately 628 per year over the remaining life of the PRP to replace the remaining services. The average cost to replace a service has been \$1500. Delta estimates an average cost of \$800,000-\$1,100,000 per year.

**Delta Natural Gas Company, Inc.  
Estimated Future PRP Surcharges**

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>PRP Adjustment</b>	\$ 1,277,511	\$ 1,627,511	\$ 1,977,511	\$ 2,327,511	\$ 2,677,511	<u>\$ 3,027,511</u>	<u>\$ 3,377,511</u>	<u>\$ 3,727,511</u>	<u>\$ 4,077,511</u>	<u>\$ 4,427,511</u>
Increase amount		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000

**Class Allocation**

Residential	51.4%	\$ 836,432	\$ 1,016,309	\$ 1,196,186	\$ 1,376,062	\$ 1,555,939	\$ 1,735,816	\$ 1,915,692	\$ 2,095,569	\$ 2,275,446
Small Non-Residential	15.5%	\$ 252,144	\$ 306,369	\$ 360,593	\$ 414,817	\$ 469,041	\$ 523,265	\$ 577,490	\$ 631,714	\$ 685,938
Large Non-Residential	27.3%	\$ 444,197	\$ 539,723	\$ 635,249	\$ 730,774	\$ 826,300	\$ 921,826	\$ 1,017,351	\$ 1,112,877	\$ 1,208,403
Interruptible	5.8%	\$ 94,737	\$ 115,110	\$ 135,484	\$ 155,857	\$ 176,230	\$ 196,604	\$ 216,977	\$ 237,351	\$ 257,724

**Volumes**

Residential	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614
Small Non-Residential	796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451
Large Non-Residential	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457
Interruptible	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651

**PRP Rate per Mcf**

	Currently Effective	Proposed	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Residential	\$ 0.11750	\$ 0.38927	\$ 0.49592	\$ 0.60257	\$ 0.70922	\$ 0.81587	\$ 0.92252	\$ 1.02917	\$ 1.13582	\$ 1.24247	\$ 1.34912	
Small Non-Residential	\$ 0.07501	\$ 0.24850	\$ 0.31658	\$ 0.38467	\$ 0.45275	\$ 0.52083	\$ 0.58891	\$ 0.65700	\$ 0.72508	\$ 0.79316	\$ 0.86124	
Large Non-Residential	\$ 0.04829	\$ 0.15998	\$ 0.20381	\$ 0.24764	\$ 0.29147	\$ 0.33530	\$ 0.37913	\$ 0.42296	\$ 0.46679	\$ 0.51062	\$ 0.55445	
Interruptible	\$ 0.01596	\$ 0.05287	\$ 0.06735	\$ 0.08183	\$ 0.09632	\$ 0.11080	\$ 0.12528	\$ 0.13977	\$ 0.15425	\$ 0.16873	\$ 0.18322	



<u>DISTRICT</u>	<u>PIPE SIZE AND TYPE TO BE REPLACED</u>	<u>ESTIMATED FOOTAGE</u>	<u>ESTIMATE RANGE</u> {1}	
			<u>Low</u>	<u>High</u>
Berea	2" Aldyl-A	42,240	\$ 2,440,627	\$ 4,028,851
		<u>42,240</u>	<u>\$ 2,440,627</u>	<u>\$ 4,028,851</u>
Corbin	2" Aldyl-A	42,240	\$ 2,440,627	\$ 4,028,851
		<u>42,240</u>	<u>\$ 2,440,627</u>	<u>\$ 4,028,851</u>

Total 2025 PRP Estimate	<u>84,480</u>	<u>\$ 4,881,254</u>	<u>\$ 8,057,702</u>
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{1} To calculate the estimate range, Delta utilized the average and highest cost per foot experienced under the PRP, net of relocations, of \$57.78 and 95.38.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21		
7	14.286%	24.490%	17.492%	12.495%	8.925%	8.925%	8.925%	4.462%														100.000%	
15	5.000%	9.500%	8.550%	7.695%	6.925%	6.233%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	2.952%						100.000%	
20	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	4.888%	4.522%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	2.231%	100.000%